
HOUSE COMMITTEE AMENDMENTS

2017 Regular Session

Amendments proposed by House Committee on Education to Original House Concurrent Resolution No. 7 by Representative Nancy Landry

1 AMENDMENT NO. 1

2 On page 1, delete line 7 and insert "May 11, 2017."

3 AMENDMENT NO. 2

4 On page 1, delete line 10 and insert "on May 11, 2017,"

5 AMENDMENT NO. 3

6 On page 1, delete lines 12 through 21, delete pages 2 through 26, and on page 27, delete
7 lines 1 through 25, and insert the following:

8

9

"PROPOSED

10 **FY 2017-2018 MINIMUM FOUNDATION PROGRAM FORMULA**
11 **(As compared to SCR 55)**

12 The FY 2017-18 Minimum Foundation Program (MFP) formula was adopted by the State
13 Board of Elementary and Secondary Education on May 11, 2017

14 The formula determines allocations for city, parish, or other public school systems or
15 schools. The definition of city, parish, or local public school systems and schools shall
16 include city or parish school systems, Recovery School District including operated and Type
17 5 charter schools, Louisiana School for Math, Science, and the Arts (LSMSA), New Orleans
18 Center for Creative Arts (NOCCA), THRIVE, New Type 2 Charter schools, Legacy Type
19 2 Charter schools, Type 3B Charter schools, Office of Juvenile Justice (OJJ) schools, and
20 Louisiana State University and Southern University Lab schools. The formula is divided
21 into four calculations as follows:

22 **Level 1** determines the minimum cost of education based on the education needs of
23 each student. The cost includes funding for students enrolled in city and parish
24 school systems, Recovery School District operated and Type 5 Charter schools, New
25 Type 2 Charter schools, and Type 3B Charter schools. The cost is then shared
26 equitably between the State and the city and parish school systems based on the
27 ability of the systems to support education in their communities through local sales
28 and property tax revenues.

29 **Level 2** provides an incentive for city and parish school systems to support education
30 in their communities above the minimum level of financial support required.

31 **Level 3** provides specific legislative education funding to city and parish school
32 systems for continuing teacher and support worker pay raises, the Hold Harmless
33 provision, and mandated operating costs.

34 **Level 4** provides additional funding including:

- 35 • Supplementary funding to meet specific needs at city, parish, or other
36 local school systems and schools including Foreign Associate
37 Teacher Salary and Stipends Allocation, Career Development
38 Allocation, High Cost Services Allocation, and Supplemental Course
39 Allocation.

- 1 • Allocations for State-Approved public school systems or schools
2 including Legacy Type 2 Charter schools, Louisiana State University
3 and Southern University Lab schools, New Orleans Center for
4 Creative Arts (NOCCA), Louisiana School for Math, Science, and
5 Arts (LSMSA), THRIVE, and Office of Juvenile Justice (OJJ)
6 schools.
- 7
- 8 • Mid-Year Allocation Adjustments to account for mid-year increases
9 and decreases in students in all city, parish, or other local public
10 school systems or schools.
- 11

12 State MFP funds shall only be expended for educational purposes. Expenditures for
13 educational purposes are those expenditures related to the operational and
14 instructional activities of city, parish, or other public school systems or schools to
15 include: instructional programs, pupil support programs, instructional staff programs,
16 school administration, general administration, business services, operations and
17 maintenance of plant services, student transportation services, food services
18 operations, enterprise operations, community services operations, facility acquisition
19 and construction services and debt services as defined by Louisiana Accounting and
20 Uniform Governmental Handbook, Bulletin 1929.

21 I. FORMULA CALCULATIONS

22 A. Level 1: Calculate State and Local Cost Allocation

23 1. Determine Educational Costs

24 Eligible students from the following school systems and schools will be counted in both the
25 Base and Weighted Student Memberships:

- 26 1. City and Parish school systems
- 27 2. State-Approved Public Schools - The student counts of the following
28 state-approved schools shall be included in the membership and weighted
29 student counts of the city or parish school system in which the student
30 resides:
 - 31 a) New Type 2 Charter schools.
- 32 3. Recovery School District - The student membership and weighted student
33 counts of schools transferred to the Recovery School District, both operated
34 and Type 5 Charter schools, shall continue to be included in the membership
35 and weighted student counts of the city or parish school system from which
36 jurisdiction of the school was transferred.

37 **STEP ONE: Determine the Number of Eligible Students for the Base Count**

38 The formula first counts each of the students enrolled on February 1 to determine the cost
39 of education services. The formula utilizes the February 1 Student Membership Count to
40 allocate funding beginning in July. The students eligible to be counted are identified in the
41 Student Membership Definition adopted by the State Board of Elementary and Secondary
42 Education. These students are counted as one (1.0) in the formula.

43 **STEP TWO: Determine the Number of Students Eligible for the Weighted Student 44 Count**

45 The formula recognizes that providing educational services to meet the needs of particular
46 students is more costly than regular educational services. Each special characteristic or need
47 is given a numerical value referred to as a weight. The special needs of each student are
48 taken into consideration by multiplying the student count for each eligible child (1.0) by
49 each of the weights. This calculation provides additional students that are then added to the
50 February 1 Student Membership Count to equal the Total Weighted Student Membership
51 Count. The students and units eligible to be counted are identified in the Student
52 Membership Definition adopted by the State Board of Elementary and Secondary Education.

53 The following are the additional costs recognized by the formula:

1 **Low Income and English Language Learner Weight** - The formula recognizes that
 2 students living in poverty or students with a native language other than English are more
 3 likely to require additional educational services to be successful. To recognize that these
 4 services require additional costs, students that qualify for free or reduced price meals under
 5 the United States Department of Agriculture (USDA) School Food Service Program
 6 guidelines, or an alternative count as defined in the Student Membership Definition, and
 7 students identified as an English Language Learner are provided a weight of 22%.

8 **Career and Technical Education Weight** - The formula recognizes that the cost of
 9 providing materials and equipment, and teacher credentialing and training, for Career and
 10 Technical Education courses is above and beyond the cost of traditional academic education.
 11 Each secondary career and technical education course in which a student is enrolled in both
 12 the fall and spring semesters is provided a weight of 6%.

13 **Special Education Weight** - The formula addresses the extra cost associated with the
 14 delivery of services required in order to meet the needs of students with disabilities. Students
 15 with disabilities that have an Individualized Education Plan (IEP) developed according to
 16 State Board of Elementary and Secondary Education regulations are provided a weight of
 17 150%.

18 **Gifted and Talented Weight** -The formula recognizes the cost of providing educational
 19 services to Gifted and Talented students that have an Individualized Education Plan (IEP)
 20 developed according to State Board of Elementary and Secondary Education regulations and
 21 are provided a 60% weight.

22 **Economy of Scale Weight** - This weight is provided for city or parish school systems to
 23 recognize a base amount of funding for fixed overhead costs that should be provided when
 24 student populations equal 7,500 students or less. The Economy of Scale Weight is calculated
 25 as a curvilinear weight of 20% at a student membership count of zero down to 0% at a
 26 student membership count equal to or greater than 7,500. To calculate this weight, the
 27 February 1 Student Membership Count for each city and parish school system is subtracted
 28 from 7,500 and divided by 37,500. The result of this calculation is then multiplied by each
 29 system's February 1 Student Membership Count to determine the weighted students.

30 **STEP THREE: Determine Total Weighted Student Membership Count**

31 **Formula:**
 32 **Total Weighted Student Membership Count**
 33 **Equals**
 34 **February 1 Student Membership Count (1.0)**
 35 **Plus**
 36 **Low Income and English Language Learner Weight**
 37 **Career and Technical Education Weight**
 38 **Special Education Weight**
 39 **Gifted and Talented Weight**
 40 **Economy of Scale Weight**

41 **STEP FOUR: Identify the State and Local Base Cost Per Pupil**

42 **Formula:**
 43 **The State and Local Base Cost Per Pupil shall equal \$3,961.**

44 **STEP FIVE: Determine Total MFP Educational Costs**

45 **Formula:**
 46 **Total MFP Educational Costs**
 47 **Equals**
 48 **Total Weighted Student Membership Count**
 49 **Multiplied by**
 50 **State and Local Base Cost Per Pupil**

51 **2. Determine State and Local Cost Allocation**

1 The Total MFP Educational Costs are shared between the State and the city or parish school
 2 systems. The ability of school systems to support the cost of education in their communities
 3 is measured by the potential to raise local revenue. This potential contribution is measured
 4 by the following three factors using the latest available data as reported through the Annual
 5 Financial Report (AFR) as required by R.S. 17:92:

- 6 1. Local Property Tax Revenue Contribution
- 7 2. Local Sales Tax Revenue Contribution
- 8 3. Other Local Revenue Contribution

9 **STEP ONE - Determine the Local Property Tax Revenue Contribution**

10 **Formula:**

11 **Local Property Tax Revenue Contribution**

12 **Equals**

13 **State Computed Property Tax Millage (debt and non-debt)**

14 **Times**

15 **Net Assessed Property Value**

16 **Net Assessed Property Value Increase Cap** - If a school system's Net Assessed Property
 17 Value has increased equal to or greater than 10% over the prior year Net Assessed Property
 18 Value, then the growth in the Net Assessed Property Value is capped at 10%. This cap is
 19 applied on a year-to-year basis comparing the current year Net Assessed Property Value to
 20 the prior year uncapped Net Assessed Property Value.

21 **Computed Property Tax Millage** - The Computed Property Tax Millage is calculated
 22 annually at the rate necessary to maintain a state and local allocation ratio of 65%/35%.

24 **STEP TWO - Determine the Local Sales Tax Revenue Contribution**

25 **Formula:**

26 **Local Sales Tax Revenue Contribution**

27 **Equals**

28 **Computed Sales Tax Base (debt and non-debt) (including TIF areas)**

29 **Multiplied By**

30 **State Computed Sales Tax Rate**

31 **Mid-Year Rate Increases** - If a local school system's sales tax goes into effect during the
 32 fiscal year, the tax rate is prorated to an annual rate applicable for the total revenue
 33 generated.

34 **Sales Tax Increase Cap** - If a system's Computed Sales Tax Base increased equal to or
 35 greater than 15% over the Computed Sales Tax Base calculated in the prior year formula,
 36 then the growth in the Computed Sales Tax Base will be capped at 15% over the amount
 37 used in the prior year formula. This cap will be applied on a year-to-year basis comparing
 38 the current year sales tax base to the prior year uncapped sales tax base.

39 **Computed Sales Tax Rate** - The Computed Sales Tax Rate is calculated annually at the rate
 40 necessary to maintain a state and local allocation ratio of 65%/35%.

41 **STEP THREE - Determine Other Local Revenue Contribution**

42 **Formula:**

43 **Other Local Revenue Contribution**

44 **Equals**

45 **State Revenue in lieu of taxes**

46 **Plus**

47 **Federal Revenue in lieu of taxes**

48 **Plus**

49 **50% of Earnings on Property**

50 **STEP FOUR - Determine Local Cost Allocation**

51 **Formula:**

52 **Local Cost Allocation**

53 **Equals**

54 **Property Tax Contribution**

55 **Plus**

1 **Sales Tax Contribution**
2 **Plus**
3 **Other Revenues Contribution**

4 **STEP FIVE - Determine State Cost Allocation**

5 **Formula:**
6 **State Cost Allocation**
7 **Equals**
8 **Total State and Local Cost**
9 **Minus**
10 **Local Cost Allocation**

11 **Minimum State Cost Allocation** - In no event shall the State Cost Allocation be less than
12 25% of Total Level 1 Cost for any city or parish school system.

13 **B. Level 2: Incentive for Local Effort**

14 Level 2 provides incentives for city and parish school systems that contribute a greater
15 proportion of local revenues towards the cost of education in their communities by
16 increasing local property and sales tax revenues. This effort is measured using the latest
17 available data for the following sources of revenue as reported in the Annual Financial
18 Report (AFR) as required in R. S. 17:92.

- 19 1. Total Sales Taxes
- 20 2. Total Property Taxes
- 21 3. State and Federal Revenue in Lieu of Taxes
- 22 4. 50% Earnings on Property Revenue

23 **STEP ONE - Determine Eligible Local Revenue**

24 **Formula:**
25 **Eligible Local Revenue**
26 **Equals**
27 **Total Sales Tax Revenue**
28 **Plus**
29 **Total Property Tax Revenue**
30 **Plus**
31 **State and Federal Revenue in Lieu of Taxes**
32 **Plus**
33 **50% of Earnings on Property Revenue**

34 **STEP TWO - Determine Local Revenue Eligible for Incentive**

35 **Formula:**
36 **Local Revenue Eligible for Incentive**
37 **Equals**
38 **Eligible Local Revenue**
39 **Minus**
40 **Local Cost Allocation**

41 **STEP THREE - Determine the Limit on Revenue Eligible for Incentive**

42 **Formula:**
43 **Limit on Revenue Eligible for Incentive**
44 **Equals**
45 **Total State and Local Cost Allocation**
46 **Multiplied by**
47 **34%**

48 **STEP FOUR - Determine Local Support of Level 2 Incentive**

49 **Formula:**
50 **Local Support of Level 2 Incentive**
51 **Equals**
52 **Lesser of Local Revenue Eligible for Incentive or Limit on Local Revenue**
53 **Eligible for Incentive**

1 **Multiplied by**
 2 **Local Cost Allocation Percentage (Level 1)**
 3 **Multiplied by**
 4 **Level 2 Incentive Factor**

5 **Level 2 Incentive Factor** - The Level 2 Incentive Factor determines the amount of local
 6 support required in Level 2. In FY 14-15, the Level 2 Incentive Factor is established at 1.72.

7 **STEP FIVE - Determine State Cost of Level 2 Incentive**

8 **Formula:**
 9 **State Support of Level 2 Incentive**
 10 **Equals**
 11 **Lesser of Local Revenue Eligible for Incentive or Limit on Local Revenue**
 12 **Eligible for Incentive**
 13 **Minus**
 14 **Local Support of Level 2 Incentive**

15 **C. Level 3: Legislative Allocations**

16 Level 3 provides funding for three programs that address funding for school systems and
 17 schools regarding teacher and support worker pay raises, Hold Harmless funding, and
 18 mandated operating costs, and are in addition to allocations provided in Level 1 and 2. These
 19 allocations are as follows:

20 **Formula:**
 21 **Total Level 3 Legislative Allocations**
 22 **Equals**
 23 **Continuation Pay Raises**
 24 **Plus**
 25 **Hold Harmless Enhancement**
 26 **Plus**
 27 **Mandated Costs in Health Insurance, Retirement, and Fuel**

28 **STEP ONE: Calculate Continuation Funding for Pay Raises**

- 29 1. Certificated Personnel Pay Raises were implemented in four recent years to
 30 assist in increasing Teacher and Principal pay to the Southern Regional
 31 Average. These funds continue to be provided directly to systems and
 32 schools to support these increased salaries.
 33 a. Certificated Personnel Pay Raises provided in 2001-02, 2006-07,
 34 2007-08, and 2008-09 will continue for each school system and
 35 school based on the calculated per pupil amount times the February
 36 1 Student Membership Count.
 37 2. Noncertificated Support Worker Pay Raises were implemented in three
 38 recent years to assist with increasing these salaries.
 39 a. Noncertificated Support Worker Pay Raises provided in 2002-03,
 40 2006-07, and 2007-08 will continue for each school system and
 41 school based on the calculated per pupil amount times the February
 42 1 Student Membership Count.
 43 3. This provision applies to city and parish school systems, Recovery School
 44 District, New Orleans Center for Creative Arts (NOCCA), Louisiana School
 45 for Math, Science, and the Arts (LSMSA), THRIVE, Legacy Type 2 Charter
 46 Schools, New Type 2 Charter Schools, Type 3B Charter Schools, Louisiana
 47 State University and Southern University Lab schools, and Office of Juvenile
 48 Justice (OJJ).

49 **STEP TWO: Calculate Hold Harmless Enhancement**

50 **Participating School Systems** - The following school systems have a remaining
 51 Hold Harmless or "overfunded" allocation: Concordia, East Baton Rouge,
 52 Evangeline, Iberville, Jefferson, Plaquemines, St. Charles, St. James, and West
 53 Feliciana.

54 **Allocation Adjustment** - After subtracting amounts attributable to insurance
 55 supplements and legislative pay raises provided between FY 1993-94 and FY

1 1998-99 from the FY 2006-07 Hold Harmless amount, a revised Hold Harmless
 2 amount is calculated. Each of the remaining Hold Harmless school systems will
 3 receive a reduction of 10% to their remaining Hold Harmless allocation. On an
 4 annual basis, any Hold Harmless system may choose to reduce the remaining balance
 5 by an amount greater than 10% through formal notification to the Louisiana
 6 Department of Education. This request must take place no later than June 30th each
 7 year.

8 **Redistribution Allocation** - The annual 10% reduction amount will be
 9 redistributed in a per pupil amount to all non-hold harmless systems.

10 **STEP THREE: Determine Allocation for Increasing Mandated Costs in Health**
 11 **Insurance, Retirement, and Fuel**

12 City and parish school systems shall receive a minimum of \$100.00 for each student in the
 13 prior year February 1 membership to offset these increasing operational costs.

14 The following formula is applied to determine the Level 1, 2, and 3 State Cost Allocation
 15 Per Pupil:

16 **Formula:**
 17 **Level 1, 2, and 3 State Cost Allocation Per Pupil**
 18 **Equals**
 19 **Level 1 State Cost Allocation Per Pupil**
 20 **Plus**
 21 **Level 2 State Cost Allocation Per Pupil**
 22 **Plus**
 23 **Level 3 State Cost Allocation Per Pupil**

24 **D. Level 4: Supplementary Allocations**

25 1. Specific Needs Allocations
 26 Specific Needs Allocations provide funding for four allocations for specific purposes and
 27 is in addition to system level allocations from Levels 1, 2, and 3. These allocations are as
 28 follows:

29 **Formula:**
 30 **Total Level 4 Supplementary Allocations**
 31 **Equals**
 32 **Foreign Language Associate Program Salary and Stipend Allocation**
 33 **Plus**
 34 **Career Development Allocation**
 35 **Plus**
 36 **High Cost Services Assistance Allocation**
 37 **Plus**
 38 **Supplemental Course Allocation**

39 **STEP ONE: Calculate Foreign Language Associate Salary and Stipend Allocation**

40 **Salary Allocation** - Any city, parish, or other public school system or school
 41 employing a Foreign Language Associate or a graduate of the Escadrille Louisiane program
 42 shall receive a supplemental allocation from State Board of Elementary and Secondary
 43 Education of \$21,000 per teacher. The state shall maintain support of the Foreign Language
 44 Associate program at a maximum of 300 Foreign Language Associates employed in any
 45 given year.

46 These teachers shall be paid by the employing city, parish, or other local public
 47 school system or school at least the state average classroom teacher salary (without PIP) by
 48 years of experience and degree beginning with year three. Of the \$21,000 allocation, \$20,000
 49 shall be allocated to the school where the teacher is employed and the funds used to support
 50 the total cost of the teacher salary, and the remaining amount shall be associated with costs
 51 of VISA sponsorship pursuant to State Board of Elementary and Secondary Education
 52 regulations.

53 **Stipend Allocation** - First year teachers will receive an installation incentive of an
 54 additional \$6,000; second and third year teachers will receive a retention incentive of an

1 additional \$4,000. These amounts must be provided to each Foreign Associate Teacher or
 2 Escadrille Louisiane graduate by each school district or school in which they are employed.

3 **STEP TWO: Career Development Allocation**

4 The cost of providing materials and equipment, and teacher credentialing and training
 5 to attain a statewide industry-based credential is above and beyond the cost typically
 6 required for high school courses. An allocation will be provided to support the development
 7 of these technical courses required for statewide credentials in city and parish school systems
 8 and other public schools.

9 The first step in the allocation is to calculate six percent (6%) of the MFP State and
 10 Local Base Cost Per Pupil to determine the Career Development Per Pupil Amount. The
 11 Career Development Per Pupil Amount will be provided for each qualifying student course
 12 enrollment in grades 9 through 12.

13 If a city or parish school system receives less than \$25,000 from the Career
 14 Development Per Pupil Amount, then the city or parish school system will be provided an
 15 economies of scale minimum allocation of \$25,000. If local public school systems and
 16 schools containing grades 9 through 12 receive less than \$10,000 from the Per Pupil
 17 Amount, then the other public schools containing grades 9 through 12 will be provided an
 18 economies of scale minimum allocation of \$10,000.

19 **Formula:**
 20 **Career Development Allocation Per Pupil**
 21 **Equals**
 22 **MFP State and Local Base Cost Per Pupil**
 23 **Multiplied By**
 24 **Six Percent (6%)**

25 **Formula:**
 26 **Career Development Allocation**
 27 **Equals**
 28 **Career Development Allocation Per Pupil**
 29 **Multiplied By**
 30 **Number of Student in Qualifying Courses in Grades 9 through 12**

31 **STEP THREE: Calculate High Cost Services Assistance**

32 High cost services for students with disabilities generate a particular budget
 33 challenge for city, parish, and other public school systems and schools.

34 In an effort to assist with these expenses, an allocation will be provided to city,
 35 parish, and other public school systems and schools which submit documentation as required
 36 by the Louisiana Department of Education substantiating that the prior year cost of services
 37 for a specific student exceeds three times the most recent state average total expenditure per
 38 pupil amount.

39 Once costs associated with providing services for a student with disabilities have
 40 been verified, the city or parish school system or other public schools will be eligible to
 41 receive an allocation to assist with these costs. The allocation will be limited by the amount
 42 budgeted for the High Cost Services Assistance Allocation. So as to be equitably distributed,
 43 the total allocation provided to city and parish school systems versus other public schools
 44 shall be proportional to the share of total qualifying applications submitted by city and parish
 45 school systems versus other public schools.

46 The first step in the allocation will be to calculate the impact of these costs on the
 47 budget of the school system or school using the latest available state and local revenue data.
 48 The High Cost Services requested for reimbursement will be reduced by the MFP state and
 49 local amount allocated on behalf of each student from Levels 1, 2, and 3. The next step will
 50 rank the Percent (%) Impact from highest to lowest percent, with two separate rank listings
 51 for school systems and other public schools.

52 **Formula:**
 53 **Percent (%) Impact on Budget**
 54 **Equals**
 55 **Cost of Services**
 56 **Divided By**

1 **Total State and Local Revenue**

2 The two rank listings will be divided into four tiers and allocations will be provided
 3 based on a percentage from one hundred percent reimbursement in the highest funded tier
 4 with smaller percentages reimbursed in the lower tiers based on where the school system or
 5 school falls within the tiers on one of the two lists.

6 **STEP FOUR: Calculate Supplemental Course Allocation**

7 Pursuant to R.S. 17:4002.1 through 4002.6, the Supplemental Course Allocation shall
 8 provide for the cost of secondary course choices specifically approved by the State Board
 9 of Elementary and Secondary Education. For each city and parish school system and other
 10 public school, the allocation shall equal the number of students enrolled in grades 7 through
 11 12 as of February 1 each year multiplied by \$59 per pupil.

12 **Formula:**
 13 **Supplemental Course Allocation for School Systems or Other Public Schools**
 14 **Equals**
 15 **Supplemental Course Allocation Per Pupil**
 16 **Multiplied By**
 17 **Number of Students in Grades 7 through 12**

18 If the entire allocation is not committed by the city or parish public school systems
 19 or other public school by a date set forth by the Louisiana Department of Education, the
 20 original allocation will be reduced by the uncommitted amount. The total uncommitted
 21 amount from each city or parish public school systems or other public school will be
 22 reallocated to those city or parish public school systems or other public schools that
 23 obligated one hundred percent of their original allocation based on criteria set forth by the
 24 Louisiana Department of Education.

25 2. Allocations for Other Public Schools

26 **STEP ONE: Louisiana State University and Southern University Laboratory Schools**

- 27 1. State Cost Allocation
- 28 a. The February 1 Student Membership count at the Louisiana State
 - 29 University and Southern University Lab Schools shall be multiplied by the Average
 - 30 State Cost Allocation Per Pupil to equal the Louisiana State University and Southern
 - 31 University Lab Schools State Cost Allocation.
 - 32 b. Funds appropriated for these schools shall be allocated to the
 - 33 institution of higher education operating such a school. Each such institution of
 - 34 higher education shall ensure the equitable expenditure of such funds to operate such
 - 35 schools.

36 **STEP TWO: Legacy Type 2 Charter Schools**

37 A Legacy Type 2 Charter school is a Type 2 Charter school approved before July 1, 2008
 38 by the State Board of Elementary and Secondary Education.

- 39 1. State Cost Allocation
- 40 a. Any Legacy Type 2 Charter school shall annually be
 - 41 allocated funds as determined by applying the formula
 - 42 contained in R. S. 17:3995.
 - 43 b. The State Cost Allocation equals the number of students
 - 44 multiplied by the State Per Pupil for the system where the
 - 45 student resides.
- 46 2. Local Cost Allocation
- 47 a. Any Legacy Type 2 Charter school shall annually be
 - 48 allocated funds as determined by applying the formula
 - 49 contained in R. S. 17:3995.
 - 50 b. The Local Cost Allocation equals the number of students
 - 51 multiplied by the Local Per Pupil for the system where the
 - 52 student resides.
 - 53 c. For any student enrolled in a Legacy Type 2 Charter school,
 - 54 the Local Cost Allocation shall be funded by the State.

- 1 3. The exclusion of any portion of local revenues specifically dedicated
2 by the legislature or by voter approval to capital outlay or debt
3 service shall be applicable only to a charter school housed in a
4 facility or facilities provided by the district in which the charter
5 school is located.

6 **STEP THREE: Office of Juvenile Justice (OJJ) Schools**

7 1. Eligible Schools - Any elementary and secondary school operated by the Office
8 of Juvenile Justice (OJJ) in a secure care facility shall be considered a public elementary or
9 secondary school and, as such, the Office of Juvenile Justice (OJJ) shall be annually
10 appropriated funds for these students.

11 2. Eligible Students - Each student counted in the prior year average daily
12 membership, as defined by the State Board of Elementary and Secondary Education in the
13 Student Membership Definition, is calculated by dividing the number of days the student is
14 under the guidance and direction of teachers by the total instructional days during the
15 specified school year.

16 3. Allocation - The Office of Juvenile Justice (OJJ) shall annually be allocated funds
17 for the eligible students. For each student enrolled in these schools, both a State Cost
18 Allocation and a Local Cost Allocation shall be provided.

19 4. State Cost Allocation

20 a. The State Cost Allocation is equal to the State Cost Allocation Per
21 Pupil for the system where each student resided prior to adjudication multiplied by
22 the prior year average daily membership of the Office of Juvenile Justice schools.

23 b. The State Cost Allocation Per Pupil allocation shall be adjusted based
24 on a factor determined by the Louisiana Department of Education to provide for the
25 differential in the number of educational days provided to the students in the custody
26 of the Office of Juvenile Justice (OJJ).

27 c. Additionally, the State Cost Allocation Per Pupil shall be adjusted
28 based on a factor determined by the Louisiana Department of Education to recognize
29 the increased number of special education students in the Office of Juvenile Justice
30 (OJJ) schools relative to the state average special education student population.

31 d. The average daily membership will be reconciled on an annual basis
32 using the latest available data.

33 5. Local Cost Allocation

34 a. Each student counted in the prior year average daily membership, as
35 defined by the State Board of Elementary and Secondary Education, shall be
36 provided for and funded from the minimum foundation program a Local Cost
37 Allocation Per Pupil equal to the Local Cost Allocation Per Pupil for the district
38 where the student resided prior to adjudication.

39 b. The Local Cost Allocation is equal to the Local Cost Allocation Per
40 Pupil for the system where each student resided prior to adjudication multiplied by the
41 prior year average daily membership of the Office of Juvenile Justice schools.

42 c. For the purpose of the Local Cost Allocation Per Pupil, the average
43 daily membership of the Office of Juvenile Justice (OJJ) shall be included in the
44 membership counts of the city, parish, or other local public school board in which
45 the student resided prior to adjudication to the Office of Juvenile Justice.

46 d. For a district(s) that shares local revenue, the allocation for the Office
47 of Juvenile Justice will be completed before the calculation of local revenues.

48 e. The Local Cost Allocation Per Pupil shall be funded with a transfer
49 of the MFP monthly amount representing the Local Cost Allocation Per Pupil from
50 the city, parish, or other local public school board in which the attending students
51 resided prior to adjudication to the Office of Juvenile Justice (OJJ).

52 f. The average daily membership will be reconciled on an annual basis
53 using the latest available data.

54 3. Mid-Year Student Allocations

55 1. Student counts in October and February may result in mid-year allocation
56 adjustments for the following:

57 City and parish school systems, Recovery School District, New Type 2 Charter
58 schools, Legacy Type 2 Charter schools, Type 3B Charter schools, Louisiana State

1 University and Southern University Lab schools, Louisiana School for Math, Science
2 and the Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), and
3 THRIVE.

4 2. If the current year October 1 Mid-Year Student Count is more or less than the
5 prior year February 1 student count, an adjustment to the current year allocation shall
6 be made for each student gained or lost. The October adjustment equals the number
7 of students gained or lost times the annual State Cost per pupil allocation amount for
8 the system or school in which the change occurred. The February adjustment equals
9 the number of students gained or lost times one-half of the State Cost per pupil
10 allocation for the system or school in which the change occurred.

11 3. Individual adjustments shall be made for increases or decreases in the
12 October or February Mid-Year Student Counts for the Recovery School District, the
13 system of prior jurisdiction, and Type 5 Charter schools.

14 4. Mid-Year adjustments for the Recovery School District shall utilize the final
15 State Cost per pupil allocation for the system of prior jurisdiction.

16 5. If the Recovery School District qualifies for an October Mid-Year
17 Adjustment to the State Cost per pupil allocation, a Mid-Year adjustment shall also
18 be made to the Local Cost per pupil allocation for the system of prior jurisdiction.
19 The October Local Cost per pupil allocation shall be recalculated based on updated
20 revenue data for the system of prior jurisdiction. There shall be no recalculation of
21 the Local Cost per pupil allocation in conjunction with the February 1 student count.

22 6. City, Parish, or Local public school systems or schools in the first year of
23 operation are not eligible for an October Mid-Year Adjustment. However, their
24 allocation will be finalized using October 1 data. The newly opened city, parish, or
25 local public school systems or schools will qualify for the February 1 mid-year
26 adjustment.

27 7. October and February Mid-Year Adjustments shall be combined and applied
28 in the March through June payments.

29 **Total MFP State Cost Allocation**

30 **Formula:**

31 **Total MFP State Cost Allocation**

32 **Equals**

33 **Level 1 State Cost Allocation**

34 **Plus**

35 **Level 2 State Cost Allocation**

36 **Plus**

37 **Level 3 State Cost Allocation**

38 **Plus**

39 **Level 4 State Cost Allocation**

40 **II. FORMULA CALCULATIONS FOR STATE-APPROVED PUBLIC SCHOOLS**

41 **A. Recovery School District**

42 **1. State Cost Allocation**

43 a. Once all final calculations are made, the final State Cost Allocation
44 Per Pupil Amount for the city or parish school system which counted
45 the Recovery School District students will be multiplied by the
46 February 1 Recovery School District Student Membership Count to
47 equal the Recovery School District State Cost Allocation.

48 b. In a system with one or more Type 3B charter schools, if the Type 3B
49 charter is not its own LEA, the local school system shall distribute
50 minimum foundation program formula funds to each Type 3B charter
51 school in the system pursuant to calculations determined by the
52 Louisiana Department of Education. If the Type 3B charter is its own
53 LEA, such payments shall be made to the Type 3B charter school by
54 the Louisiana Department of Education. Such calculations shall
55 include differentiated funding weights for certain students, including
56 students identified as being eligible for special education services.
57 The calculations shall ensure equity so that each Type 3B charter
58 school in the system receives a per-pupil amount equal to the amount

1 a Type 5 charter school located in the same parish or school system
2 boundary would have received from the Recovery School District
3 (RSD).

4 2. Local Cost Allocation
5 a. In addition to the State Cost Allocation, the Recovery School District
6 shall receive an applicable Local Cost Allocation.

7 **Formula:**
8 **Local Cost Allocation Per Pupil**
9 **Equals**
10 **Projected Local Revenues from District of Prior Jurisdiction**
11 **Divided by**
12 **Total School District Membership (Recovery School District Student**
13 **Membership Count plus Student Membership Count for the system of prior**
14 **jurisdiction plus New Type 2 Charter school students residing in the**
15 **jurisdiction)**

16 b. To begin the fiscal year, the Local Cost allocation is based on eligible
17 projected local revenues for the most recent prior fiscal year from the city or parish
18 school district that had jurisdiction of the school prior to its transfer.

19 c. For purposes of the Recovery School District calculation, local
20 revenue is defined to include revenue from the following sources, excluding any
21 portion which has been specifically dedicated by the legislature or by voter approval
22 to capital outlay or debt service, per the definitions in the Annual Financial Report
23 (AFR) and the Louisiana Accounting and Uniform Governmental Handbook as
24 reported to the Department of Education:

- 25 1. Sales and use taxes, less any tax collection fee paid by the
26 school system
- 27 2. Ad valorem taxes, less any tax collection fee paid by the
28 school system
- 29 3. Earnings from sixteenth section lands owned by the school
30 system

31 d. The exclusion of any portion of local revenues specifically dedicated
32 by the legislature or by voter approval to capital outlay or debt service shall be
33 applicable only to a charter school housed in a facility or facilities provided by the
34 system in which the charter school is located.

35 e. The projected local revenues shall be divided by the Total School
36 District Membership Count including the Recovery School District Student
37 Membership Count, both operated and charter schools, plus the Student Membership
38 Count of the system of prior jurisdiction. If any New Type 2 Charter School student
39 resides within the physical boundaries of the system of prior jurisdiction, this school
40 the student attends shares in the local revenues of the system of prior jurisdiction. As
41 a result, the New Type 2 Charter School Student Membership Count of the students
42 residing in the jurisdiction will be added to the Recovery School District and the
43 system of prior jurisdiction Student Membership Count.

44 f. The Local Cost Allocation for the Recovery School District is
45 determined by multiplying the local revenue per pupil times the number of Recovery
46 School District students used in the MFP final allocation.

47 **Formula:**
48 **Local Cost Allocation**
49 **Equals**
50 **Projected Local Revenues from District of Prior Jurisdiction Per Pupil**
51 **Multiplied By**
52 **Recovery School District Student Membership Count**

53 g. Once the local amount is determined, it is adjusted to a monthly
54 amount that is transferred from the MFP monthly allocation of the city, parish, or
55 other local public school board of prior jurisdiction to the Recovery School District.

1 h. Based on the October 1 Student Membership Count, the local revenue
2 allocation per student will be recalculated and there will be a corresponding
3 adjustment in the local revenue allocation. No recalculation of the local revenues per
4 student will occur as a result of the February 1 Student Count adjustment.

5 i. During the third quarter of the fiscal year, the local revenue allocation
6 per student shall be adjusted to reflect actual prior year local revenue data.

7 j. A final reconciliation will occur based upon the receipt of the annual
8 audited financial statements of the system of prior jurisdiction. If an increase or
9 decrease in local revenue collections exists, the state superintendent may establish
10 a payment schedule. In the event that the fiscal status of the system of prior
11 jurisdiction or the Recovery School District changes during the fiscal year or on or
12 before the final reconciliation, the state superintendent may adjust the local revenue
13 based on the revenues identified.

14 3. Monies appropriated to the Recovery School District, except for
15 administrative costs, that are attributable to the transfer of a school from a prior school
16 system and monies allocated or transferred from the prior system to the Recovery School
17 District shall be expended solely on the operation of schools transferred from the prior
18 system to the jurisdiction of the Recovery School District.

19 **B. New Type 2 Charter Schools**

20 A New Type 2 Charter school is a Type 2 Charter school approved after July 1, 2008 by the
21 State Board of Elementary and Secondary Education.

22 1. State Cost Allocation

23 a. Any New Type 2 Charter School shall annually be provided a State
24 Cost Allocation as determined by applying the formula contained in R.S. 17:3995.

25 b. The State Cost Allocation equals the number of students multiplied
26 by the State Cost Allocation Per Pupil for the system in which the student resides.

27 c. Mid-Year Adjustments shall adhere to the guidelines established in
28 this document.

29 2. Local Cost Allocation

30 a. Any New Type 2 Charter school shall annually be provided a Local
31 Cost Allocation by applying the formula contained in R. S. 17:3995.

32 b. The Local Cost Allocation equals the number of students multiplied
33 by the Local Cost Allocation Per Pupil for the system in which the student resides.

34 c. One exception to R. S. 17:3995 is that the Local Cost allocation will
35 be funded with a transfer of the MFP monthly amount representing the Local Cost
36 Allocation from the city or parish school system in which the attending students
37 reside.

38 d. The city or parish where students attending the New Type 2 Charter
39 school reside is the local taxing authority and shall provide the local support for the
40 students.

41 e. Mid-Year Adjustments will adhere to the guidelines established in
42 this document.

43 3. Virtual Charter schools may receive, as approved by the State Board of
44 Elementary and Secondary Education, a lesser percentage of the state and local
45 amount calculated in R.S. 17:3995.

46 4. Where student attendance is from multiple school systems, the Department of
47 Education shall determine the Local Cost Allocation based on students reported by
48 the schools. The student membership count of the New Type 2 charter schools shall
49 be included in the membership count of the city or parish school board in which the
50 student resides to determine the Local Cost Allocation.

51 5. In the first year of operation, a New Type 2 Charter school shall be allocated
52 funding based on an estimated student count since a February 1 student count does
53 not exist. The allocation will be finalized based on the October 1 student count.

54 6. The exclusion of any portion of local revenues specifically dedicated by the
55 legislature or by voter approval to capital outlay or debt service shall be applicable
56 only to a charter school housed in a facility or facilities provided by the district in
57 which the charter school is located.

1 **C. Louisiana School for Math, Science, and the Arts (LSMSA), New Orleans**
 2 **Center for Creative Arts (NOCCA), and THRIVE.**

3 1. The Louisiana School for Math, Science and the Arts (LSMSA), New
 4 Orleans Center for Creative Arts (NOCCA), and THRIVE shall be provided both a
 5 State and Local Cost allocation.

6 2. State Cost Allocation

7 a. The State Cost Allocation shall be based on the State Cost
 8 Allocation Per Pupil for the city or parish school system
 9 where the attending students reside.

10 3. Local Cost Allocation

11 a. The Local Cost Allocation will be based on the Local Cost
 12 Allocation for the city or parish school system where the
 13 attending students reside.

14 b. For any student enrolled in LSMSA, NOCCA, or THRIVE,
 15 the Local Cost Allocation Per Pupil shall be funded by the
 16 State.

17 c. Where student attendance is from multiple school systems,
 18 the Department of Education shall determine the Local Cost
 19 Allocation based on students reported by the schools.

20 **III. FORMULA PROCEDURES**

21 A. Preliminary Allocation

22 1. The minimum foundation program formula for the upcoming fiscal
 23 year adopted by the State Board of Elementary and Secondary
 24 Education, along with a preliminary allocation schedule representing
 25 the estimated cost of the proposed formula, shall be submitted to the
 26 Joint Legislative Committee on the Budget and to the House and
 27 Senate Education Committees for consideration no later than
 28 March 15.

29 2. This preliminary allocation shall utilize student and other input data
 30 available at the time.

31 B. Final Allocation

32 Final allocations for the fiscal year in which the formula takes effect will be
 33 determined no later than June 30 of the preceding fiscal year. The latest
 34 available data will be utilized to calculate the final allocation except that
 35 student count estimates will be utilized for school systems or charter schools
 36 opening for the first time in the fiscal year beginning July 1. For first-year
 37 city, parish, or other public school systems or schools, the final allocation
 38 will be based on the October 1 count, once available.

39 **IV. FORMULA PAYMENTS**

40 A. **Payment Procedures**

41 1. The Total MFP State Cost Allocation for city, parish, and other
 42 school systems and schools will be converted to monthly payments from July
 43 through June each year except payments will be made on Level 4 allocations
 44 as data becomes available.

45 B. **Requested Payment Adjustments**

46 1. If the city, parish, or other school systems and schools have
 47 documented growth in students prior to the actual Mid-Year Student Counts
 48 in October and February, a temporary change to the final allocation may be
 49 requested. The State Superintendent is authorized to approve or deny this
 50 revision.

51 a. Sufficient documentation will be requested to substantiate this
 52 requested allocation adjustment.

53 b. The adjusted allocation will remain in effect until the actual
 54 October or February Mid-Year Student Count. Once the Mid-Year
 55 Student Count is final, reconciliation will be completed and payments
 56 adjusted accordingly.

57 C. **Payment Adjustments for Audit Findings**

1 1. Review and/or audit of the systems' or schools' data used in
 2 determining their Minimum Foundation Program allocation may result in changes
 3 in final statistical information. The Minimum Foundation Program allocation
 4 adjustments necessary as a result of these audit findings will be made in the
 5 following school year. These adjustments are applicable to the following: city or
 6 parish school systems, Recovery School District, Type 2 Charter schools, Type 3B
 7 Charter schools, Louisiana State University and Southern University Lab schools,
 8 Office of Juvenile Justice (OJJ) schools, Louisiana School for Math, Science and the
 9 Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA), and THRIVE.

10 **V. 70% EXPENDITURE REQUIREMENT**

11 To provide for appropriate accountability of state funds while providing city, parish, or local
 12 public school systems or other public schools flexibility in determining specific
 13 expenditures, city, parish, or local public school systems or other public schools must ensure
 14 that 70% of the city, parish, or local public school system or other public school general fund
 15 expenditures are in the areas of instruction and school administration at the school building
 16 level as developed by the Department of Education and defined by the State Board of
 17 Elementary and Secondary Education regulations.

18 **VII. SEVERABILITY PROVISION**

19 If any provision of this minimum foundation formula or the application thereof is held
 20 invalid, such invalidity shall not affect other provisions or applications of this minimum
 21 foundation formula which can be given effect without the invalid provisions or applications,
 22 and to this end the provisions of this minimum foundation formula are hereby declared
 23 severable. The severability provision hereof shall be broadly construed so as to give effect
 24 to each and every possible provision or application of this minimum foundation formula
 25 which is not specifically held invalid, unlawful, or unconstitutional.

26 **VIII. EMERGENCY ASSISTANCE**

27 Emergency assistance will be provided in FY 2017-18 in two categories:

28 **A. Natural Disaster**

29 Funding assistance will be provided to city, parish, or other public school systems
 30 or schools for the significant loss of students as the result of a natural disaster, if all
 31 four of the following criteria are met by a city, parish, or other public school system
 32 or school:

- 33 1. Located within a parish that was identified in a federal disaster
 34 declaration between March 2016 and April 2017, AND
- 35 2. 2017-18 July MFP formula allocation is less than the 2016-17 July
 36 MFP formula allocation, AND
- 37 3. Experiences a decrease in the February 1, 2017 MFP student count
 38 as compared to the February 1, 2016 MFP student count, AND
- 39 4. Students exiting as the result of a disaster were reported through the
 40 February 1, 2017 student count, and disaster exits were seven (7)
 41 percent or greater of all student exits.

42 Upon qualifying for all four criteria, additional funding will be provided as follows:

- 43 a. If the number of student exits as the result of a disaster as a
 44 percent of total exits are between seven (7) and nineteen (19)
 45 percent, an allocation will be provided equal to 50 percent of
 46 the decrease calculated in the 2017-18 MFP allocation and
 47 any downward funding adjustments as a result of the 2017-18

1 October or February Mid-Year Adjustments will not be
2 implemented.

3 b. If the number of student exits as the result of a disaster as a
4 percent of total exits are twenty (20) percent or greater, an
5 allocation will be provided equal to 100 percent of the
6 decrease calculated in the 2017-18 MFP allocation and any
7 downward funding adjustments as a result of the 2017-18
8 October or February Mid-Year Adjustments will not be
9 implemented.

10 **B. Military Deployment**

11 In the event of a deployment of a brigade combat team or a combination of units of
12 approximately the same size from a Louisiana military base on or before September
13 30, 2017, anticipated to result in at least a ten (10) percent reduction in military
14 connected students, the 2017-18 MFP state allocation for the school district in which
15 the military base is located will be held constant and any downward funding
16 adjustments as a result of the 2017-18 October or February Mid-Year Adjustments
17 would not be implemented."

18 AMENDMENT NO. 4

19 On page 28, line 2, after "on" delete the remainder of the line and insert "May 11, 2017."